

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Dedicated Sound and Audio, Inc.
Steve Ventre
26784 Vista Terrace
Lake Forrest, California 92630

433 N. Camden Drive, 6th Floor
Beverly Hills, California 90210

Choice Equity
Eric Lovy, fka Eric Beltran
1621 Central Avenue
Cheyenne, Wyoming 82001

18350 Mount Langley Street
Fountain Valley, California 92708

DESIST AND REFRAIN ORDER

(For Violations of Sections 25110, 25210, and 25401 of the Corporations Code)

The Commissioner of Business Oversight (Commissioner) finds that:

1. Dedicated Sound and Audio, Inc. (Dedicated) is an active California corporation, formed on or about September 27, 2012. Dedicated's principal place of business is or was 26784 Vista Terrace, Lake Forrest, California and 433 N. Camden Drive, 6th Floor, Beverly Hills, California. Dedicated maintains a website at www.dedicatedsoundandaudio.net. According to Dedicated's offering materials, it was "organized for the purpose of creating, manufacturing and marketing leading edge audio speakers utilizing [Dedicated's] proprietary speaker technology."
2. Steve Ventre (Ventre) is Dedicated's chief executive officer, secretary, chief financial officer, and director.
3. Choice Equity is an inactive Wyoming corporation, formed on or about March 20, 2012. Choice Equity's principal place of business is or was 1621 Central Avenue, Cheyenne, Wyoming and 18350 Mount Langley Street, Fountain Valley, California. Choice Equity does not hold a broker-dealer or investment adviser certificate issued by the Commissioner. Choice Equity has

1 never been registered with the Financial Industry Regulatory Authority (FINRA) or the United States
2 Securities and Exchange Commission (SEC) in any capacity. From at least 2013, Choice Equity
3 operated an unlicensed boiler room, which cold-called investors using lead lists.

4 4. Eric Lovy, fka Eric Beltran (Lovy) is or was Choice Equity's president, secretary,
5 treasurer, and vice president. Lovy is the sole signatory on Choice Equity's bank account. Lovy does
6 not hold a broker-dealer or investment adviser certificate issued by the Commissioner. Lovy has
7 never been registered with FINRA or the SEC in any capacity and is not associated with a registered
8 broker-dealer.

9 5. On or about August 6, 2002, the Commissioner issued Lovy, then known as Eric
10 Beltran, desist and refrain orders for offering and selling unqualified, non-exempt securities by means
11 of fraud in violation of Corporations Code sections 25110 and 25401.

12 6. Lovy entered into a consent order with the Commissioner on or about May 21, 2014.
13 Under the terms of the order, Lovy agreed to desist and refrain from offering, selling, effecting any
14 transaction in, or inducing or attempting to induce the purchase or sale of any security, in California,
15 and further agreed to disgorge \$15,250.00 in ill-gotten profits.

16 7. Beginning in or about January 2013 to at least February 2015, Dedicated, Ventre,
17 Choice Equity, and Lovy offered and sold securities, in the form of Dedicated Preferred Stock and
18 promissory notes, to at least 85 investors, raising a total of more than \$2.4 million.

19 8. At least one California investor purchased approximately \$82,000.00 worth of
20 Dedicated Preferred Stock through Choice Equity and Lovy. Choice Equity employed a sales agent
21 who cold-called the investor to solicit investments in Dedicated, providing the investor with a copy of
22 Dedicated's Private Placement Memorandum (PPM) by e-mail. The sales agent told the investor, who
23 identifies as a Christian, that Lovy and the Dedicated "team" were also Christians, who together
24 conducted weekly Bible study meetings.

25 9. In connection with the offer and sale of the Dedicated Preferred Stock and promissory
26 notes, Dedicated, Ventre, Choice Equity, and Lovy misrepresented or failed to disclose to investors
27 the following material facts:

28 a. Dedicated's PPM falsely stated that Dedicated would pay no more than a 15-percent
sales commission to "licensed broker/dealers and other qualified personnel." But Dedicated actually
paid \$1.56 million of the funds raised, or approximately 68 percent, in sales commissions to Choice

Equity.

b. Choice Equity paid Lovy at least \$858,926.00 of the \$1.56 million it received from Dedicated.

c. Lovy failed to inform the investor that he does not hold a broker-dealer or investment adviser certificate issued by the Commissioner and that he is not a registered broker-dealer or associated with a registered broker-dealer.

d. Lovy failed to inform the investor that Choice Equity does not hold a broker-dealer or investment adviser certificate issued by the Commissioner and that it is not registered with FINRA or the SEC in any capacity.

e. Lovy failed to inform the investor that he was the subject of two desist and refrain orders issued by the Commissioner on August 6, 2002, for violations of Corporations Code sections 25110 and 25401.

f. Lovy failed to inform the investor that he had entered into a consent order with the Commissioner on May 21, 2014, in which he agreed to desist and refrain from offering, selling, effecting any transaction in, or inducing or attempting to induce the purchase or sale of any security, in California, and further agreed to disgorge \$15,250.00 in ill-gotten profits.

10. These securities, the above described Dedicated Preferred Stock and promissory notes, were sold in this state in issuer transactions. The Commissioner has not issued a permit or other form of qualification authorizing any person to offer or sell Dedicated Preferred Stock and promissory notes in this state.

11. Choice Equity and Lovy are conducting business as broker-dealers by soliciting potential and actual investors and inducing them to invest in Dedicated Preferred Stock and promissory notes, and their activities come within the meaning of Corporations Code section 25004. Under Corporations Code section 25210, Choice Equity and Lovy were required to obtain certificates from the Commissioner to conduct business as broker-dealers in this state.

Based on the foregoing findings, the Commissioner is of the opinion that the Preferred Stock and promissory notes offered by Dedicated, Ventre, Choice Equity, and Lovy are securities subject to qualification under the Corporate Securities Law of 1968 and are being or have been offered or sold without first being qualified in violation of Corporations Code section 25110 of the Corporate Securities Law of 1968. Under section 25532 of the Corporations Code, Dedicated, Ventre, Choice

1 Equity, and Lovy are ordered to desist and refrain from the further offer and sale of securities in
2 California, including but not limited to Dedicated Preferred Stock and promissory notes, unless such
3 sale has been qualified under Corporations Code section 25111, 25112, or 25113 or unless such
4 security or transaction is exempted or not subject to qualification.

5 Furthermore, the Commissioner is of the opinion that the securities Dedicated, Ventre, Choice
6 Equity, and Lovy offered or sold in this state were offered or sold by means of written or oral
7 communication that included an untrue statement of a material fact or omitted to state a material fact
8 necessary to make the statements made, in the light of the circumstances under which the statements
9 were made, not misleading in violation of section 25401 of the Corporations Code. Under section
10 25532 of the Corporations Code, Dedicated, Ventre, Choice Equity, and Lovy made, or caused to be
11 made, misrepresentations or omissions of material fact in connection with the offer or sale of
12 securities and are hereby ordered to desist and refrain from offering or selling or buying or offering to
13 buy any security in this state by means of any written or oral communication which includes an
14 untrue statement of material fact or omits to state material fact necessary in order to make the
15 statements made, in light of the circumstances under which they were made, not misleading.

16 Finally, the Commissioner is of the opinion that Choice Equity and Lovy have conducted
17 business as broker-dealers in this state by effecting transactions in Dedicated Preferred Stock and
18 promissory notes without first having applied for and secured from the Commissioner a certificate
19 authorizing them to act in that capacity, in violation of section 25210 of the Corporations Code.
20 Under Corporations Code section 25532, Choice Equity and Lovy are further ordered to desist and
21 refrain from conducting business as broker-dealers in this state unless and until they have applied for
22 and secured from the Commissioner a certificate, then in effect, authorizing them to act in that
23 capacity.

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1 This order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

3 Dated: February 26, 2018
4 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

6 By _____
7 MARY ANN SMITH
8 Deputy Commissioner
9 Enforcement Division
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